

**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298**FILED**06-01-12
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June 1, 2012

Agenda ID #11383
Ratesetting

TO PARTIES OF RECORD IN APPLICATION 11-05-017 ET AL.

This is the proposed decision of Administrative Law Judge (ALJ) Kimberly H. Kim. It will appear on the Commission's June 21, 2012 agenda. The Commission may act then, or it may postpone action until later.

When the Commission acts on the proposed decision, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare its own decision. Only when the Commission acts does the decision become binding on the parties.

Pursuant to Rule 14.6(c)(2), comments on the proposed decision must be filed within 13 days of its mailing and reply comments must be filed within 17 days of its mailing.

Comments must be filed pursuant to Rule 1.13 either electronically or in hard copy. Comments should be served on parties to this proceeding in accordance with Rules 1.9 and 1.10. Electronic and hard copies of comments should be sent to ALJ Kimberly H. Kim at kk2@cpuc.ca.gov and the assigned Commissioner. The current service list for this proceeding is available on the Commission's website at www.cpuc.ca.gov.

/s/ MARYAM EBKE for KVC

Karen V. Clopton, Chief
Administrative Law Judge

KVC:lil

Attachment

Decision **PROPOSED DECISION OF ALJ KIM** (Mailed 6/1/2012)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Approval of its 2012-2014 California Alternate Rates for Energy (CARE) and Energy Savings Assistance Programs and Budgets.

Application 11-05-017
(Filed May 16, 2011)

And Related Matters.

Application 11-05-018
Application 11-05-019
Application 11-05-020

**DECISION ADOPTING EXTENSION OF BRIDGE FUNDING
MONTH-TO-MONTH STARTING JULY 1, 2012
FOR LARGE INVESTOR-OWNED UTILITIES' ENERGY
SAVINGS ASSISTANCE AND CALIFORNIA
ALTERNATE RATES FOR ENERGY PROGRAMS**

1. Summary

This decision authorizes the large investor-owned utilities, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company, (collectively Investor-owned Utilities or Utilities) to expend the average monthly authorized 2011 level of funds for each month, starting July 1, 2012, to continue their Energy Savings Assistance (formerly known as the Low-Income Energy Efficiency Program) and California Alternate Rates for Energy Programs.

2. Background

On May 15, 2011, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas), (collectively Utilities) filed their 2012-2014 their Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) Programs and Budget Applications, 11-05-017, 11-05-018, 11-05-019, and 11-05-020. Because the four Applications are related, the proceedings were consolidated (Consolidated Proceeding).

Following the initial filings, proceeding consolidation, multiple prehearing conferences and workshops, the Commission determined it was necessary to issue a bridge funding decision in the Consolidated Proceeding so that ESA and CARE Programs could continue to operate from January 1-June 30, 2012 while the Commission continues the review of some of the more complex issues in the Consolidated Proceeding.

On November 10, 2011, the Commission issued Decision (D.) 11-11-010 and approved bridge funding for the ESA and CARE Programs to cover January 1-June 30, 2012.

On May, 4, 2012, a proposed decision on the Utilities' 2012-2014 for ESA and CARE Programs (Proposed Decision) was mailed for the June 7, 2012 Commission meeting. The Proposed Decision provides program direction and funding starting July 1, 2012.

3. Discussion

3.1. Extension of Bridge Period and Funding

We find that a short, month-to-month extension of bridge funding beyond June 30, 2012 is necessary and in the public interest to ensure that no hiatus occurs after the authorized bridge funding for the Utilities' ESA and CARE

Programs expires on June 30, 2012, pursuant to D.11-11-010. These programs are expected to continue beyond June 30, 2012.

The month-to-month extension of bridge funding and the additional time beyond June 30, 2012 are necessary and in the public interest to provide a smooth and thoughtful transition of these programs while the Proposed Decision is being considered by the Commission.

Furthermore, the continued bridge funding will ensure continuity for existing contractual agreements, minimize disruption to retained skilled workers, completion of existing projects, and uninterrupted delivery of benefits of the Utilities' ESA and CARE Programs to businesses and residents of California.

In the past, the Commission has adopted similar bridge funding for ESA and CARE Programs to prevent service disruptions. Similarly, to achieve continuity and to ensure a smooth transition to the 2012-2014 ESA and CARE Programs, we must adopt this decision to extend the current bridge period and funding before June 30, 2012.

3.2. Bridge Funding Period Extension

We realize the Utilities are anxious and concerned that another bridge funding period will further compromise and jeopardize their ability to maximize program capacity to meet the Commission's annual goals. However, we find that this short extension of the bridge period, for possibly a month or so, is necessary and in the public interest. Therefore, after the current bridge funding period expires under D.11-11-010, we authorize a month-to-month extension of bridge funding period to start July 1, 2012 and which will end when we adopt a decision in this Consolidated Proceeding upon review of the Proposed Decision.

3.3. Bridge Funding Extension

For the extended month-to-month bridge funding period, starting July 1, 2012, the average monthly budgets based on each utility's authorized budgets for 2011 should be used for the existing programs. Consistent therewith, the Utilities should use this authorized bridge funding level for these programs, starting July 1, 2012 to when the Commission adopts a decision in this Consolidated Proceeding upon review of the Proposed Decision, as illustrated below in Section 3.4 of this decision.

3.4. Adopted July 2012 Bridge Funding Budgets

In Table 1 below, we authorize the bridge funding budgets for the Utilities to continue the ESA and CARE Programs without interruption, starting July 1, 2012. The authorized bridge funding levels reflect the corresponding monthly average of budgets consistent with each of the Utilities' authorized 2011 program budgets for the ESA and CARE Programs:

Table 1
Monthly Bridge Funding Budgets beginning July 1, 2012
Budget Summary

Utility	ESA	CARE	Total
PG&E	\$13,065,753	\$40,769,036	\$53,834,789
SCE	\$5,284,488	\$18,073,750	\$23,358,238
*SoCalGas	*\$6,521,356	\$11,874,137	*\$18,395,493
SDG&E	\$1,693,967	\$4,422,038	\$6,116,005

*SoCalGas's bridge funding budget is augmented, consistent with augmentation authorized under D.11-11-010, Section 3.3.

3.5. Bridge Period Activities

Due to timing as well as the limited purpose of this bridge funding decision, we make no changes to any programmatic issues and budget items. This simplification will create the least amount of disruption to the Utilities' ESA

and CARE Programs during the transition from the 2009-2011 cycle to the 2012-2014 cycle and will allow more efficient use of Energy Division's limited staff resources. Consistent therewith, during the bridge period authorized in this decision, the Utilities are authorized only to continue their program activities that the Commission had previously authorized for program cycle 2009-2011.

3.6. Advice Letters

Each utility is directed to file a Tier 1 Advice Letter within 10 days of the effective date of this decision. The Advice Letters must show the allocation of the authorized monthly budgets for both the ESA and CARE Programs and a memorandum account showing the difference between the revenue requirement adopted in this decision and that requested in the applications beginning July 1, 2012, discussed in Section 3.7 of this decision. Consistent with Tier 1 procedures under General Order 96-B, the Advice Letters shall be effective on the date filed, subject to Energy Division determining that they are in compliance with this directive.

3.7. Revenue Requirements

Consistent with D.11-11-010, this decision does not change the overall revenue requirements for the Utilities' ESA and CARE Programs adopted in the 2009-2011 program cycle. For ratemaking purposes, each of the Utilities shall continue to use their 2011 CARE and ESA authorized funding levels in order to develop rates, effective January 1, 2012. Any under- or over-collection that results from authorized program spending level increases or decreases as a result of any decision in this proceeding, will be addressed in each of the utility's gas Public Purpose Program (PPP) Surcharge, electric PPP mechanisms, and/or currently authorized ratemaking procedures, or as soon as practicable following the issuance of a final decision in this Consolidated Proceeding.

It is reasonable to anticipate that the final decision in this Consolidated Proceeding may authorize different revenue requirements than what we adopt today. In order to allow for the possibility of adjustment to the revenue requirements at a later date, we direct the Utilities to track in a memorandum account the difference between the revenue requirements adopted in this decision (*see* Section 3.7 of this decision) and that requested in the applications beginning July 1, 2012. We aspire and anticipate that a final decision on the revenue requirements will be made before July 31, 2012.

4. Shortening Public Review Period on Proposed Decision

The need for this additional one month bridge funding came to light only a few days ago. The time is of the essence. Commission's Rules of Practice and Procedure, Rule 14.6, allows for the Commission to waive or shorten the period for public review and comment on a proposed decision in the case of "[r]equests for relief based on extraordinary conditions in which time is of the essence" or "for a decision where the Commission determines, on the motion of a party or on its own motion, that public necessity requires reduction or waiver of the 30-day period for public review and comment."¹ Rule 14.6 (c) specifically provides that the Commission may reduce or waive the period for public review and comment on draft resolutions and proposed decisions:

... (9) for a decision in a proceeding in which no hearings were conducted where the Commission determines, on the motion of a party or on its own motion, that public necessity requires reduction or waiver of the 30-day period for public review and comment. For purposes of this subsection, "public necessity"

¹ Rule 14.6(a)(6) and (b)(c).

refers to circumstances in which the public interest in the Commission adopting a decision before expiration of the 30-day review and comment period clearly outweighs the public interest in having the full 30-day period for review and comment....

We find that the public necessity requires shortening of the 30-day period for public review of this proposed bridge funding decision because failure to do so will result in the halting of two critical low-income programs, ESA and CARE. These are undoubtedly important programs that should not be halted or otherwise disrupted. These are extraordinary circumstances, and the Commission must act to ensure there is no possibility of program stoppage. We therefore shorten the public review period for this proposed decision as follows to allow the Commission to timely vote and authorize a bridge funding decision.

The Utilities should review and file comments to inform the Commission if the anticipated budget needs for the two programs during the bridge period cannot be met with the proposed budgets in this Proposed Decision, so necessary augmentations can be considered during the review of this Proposed Decision.

5. Comments on Proposed Decision

The proposed decision of Administrative Law Judge (ALJ) Kim in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code, with directions for shortened public review and comment period. Under the shortened public review and comment period, comments are due June 14, 2012 and reply comments are due June 18, 2012, in order for this proposed decision to be considered on the June 21, 2012 Commission meeting.

6. Assignment of Proceeding

This proceeding is categorized as ratesetting. The assigned Commissioner is Timothy Alan Simon and the assigned ALJ is Kimberly H. Kim.

Findings of Fact

1. On May, 4, 2012, the Proposed Decision in this Consolidated Proceeding was mailed for the June 7, 2012 Commission meeting.
2. The Proposed Decision provides program direction and funding for ESA and CARE Programs starting July 1, 2012.
3. With the significance and complexities of the issues presented and addressed in the Proposed Decision, we find it necessary to allow adequate time for thoughtful deliberation and therefore project the potential vote on the Proposed Decision to take place on or before the July 12, 2012 meeting, instead of the June 7, 2012 meeting.
4. This new projected date for adoption of a decision in the Consolidated Proceeding requires us to extend the originally established bridge period and funding beyond June 30, 2012.
5. In the past, the Commission has adopted similar bridge funding for ESA and CARE Programs to prevent service disruptions.
6. If a bridge funding decision is not adopted by or before July 1, 2012, ESA and CARE Programs could come to a halt, starting July 1, 2012.
7. Due to timing as well as the limited purpose of this bridge funding decision, we make no changes to any programmatic issues and budget items.
8. Consistent with D.11-11-010, this decision does not change the overall revenue requirements for the Utilities' ESA and CARE Programs adopted in the 2009-2011 program cycle.
9. The need for this additional bridge funding extension came to light only a few days ago.
10. The time is of the essence.

11. Commission's Rules of Practice and Procedure, Rule 14.6, allows for the Commission to waive or shorten the period for public review and comment on a proposed decision in the case of "[r]equests for relief based on extraordinary conditions in which time is of the essence" or "for a decision where the Commission determines, on the motion of a party or on its own motion, that public necessity requires reduction or waiver of the 30-day period for public review and comment."

12. Rule 14.6 (c) specifically provides that the Commission may reduce or waive the period for public review and comment on draft resolutions and proposed decisions:

... (9) for a decision in a proceeding in which no hearings were conducted where the Commission determines, on the motion of a party or on its own motion, that public necessity requires reduction or waiver of the 30-day period for public review and comment. For purposes of this subsection, "public necessity" refers to circumstances in which the public interest in the Commission adopting a decision before expiration of the 30-day review and comment period clearly outweighs the public interest in having the full 30-day period for review and comment....

13. The final decision on the Consolidated Proceeding, approving the 2012-2014 ESA and CARE Programs and Budgets, is projected to be adopted by or before July 2012.

14. During the bridge period authorized in this decision, the Utilities are authorized only to continue their program activities that the Commission had previously authorized, for program cycle 2009-2011.

Conclusions of Law

1. With the current timing of the potential vote on the Consolidated Proceeding potentially being in July 2012, it is necessary to extend the originally

established bridge period in the Consolidated Proceeding and related funding beyond June 30, 2012, as set in D.11-11-010.

2. Approval of a month-to-month extension of bridge period and funding is necessary and in the public interest to provide a smooth transition for ESA and CARE Programs without interruption, to maintain contractual agreements, retain skilled workers, complete existing projects, and continue to bring the benefits of those programs to businesses and residents of California.

3. It is necessary and in the public interest to authorize this month-to-month bridge funding, starting July 1, 2012, to ensure that no hiatus occurs after the authorized bridge funding for Utilities' ESA and CARE Programs expires on June 30, 2012.

4. This additional month-to-month bridge funding and the additional time beyond June 30, 2012 are necessary and in the public interest to provide a smooth and thoughtful transition of these programs while the proposed decision in the Consolidated Proceeding is reviewed and voted on.

5. This additional month-to-month bridge funding will ensure continuity for existing contractual agreements, minimize disruption to retained skilled workers, completion of existing projects, and uninterrupted delivery of benefits of the Utilities' ESA and CARE Programs to businesses and residents of California.

6. The public necessity requires shortening of the 30-day period for public review of this proposed bridge funding decision because failure to do so will result in the halting of two critical low-income programs, ESA and CARE.

7. ESA and CARE Programs are undoubtedly important programs that should not be halted or otherwise disrupted, even for a short time.

8. These are extraordinary circumstances, and the Commission must act to ensure there is no possibility of program stoppage.

9. The Commission should shorten the public review period for this proposed decision to allow the Commission to timely vote and authorize a bridge funding decision.

10. For the extended bridge funding period, starting July 1, 2012 to when the Commission adopts a decision in this Consolidated Proceeding upon review of the Proposed Decision, the average monthly budgets based on each utility's authorized budgets for 2011 should be used for the existing programs.

11. To avoid confusion and disruptions to the Utilities' ESA and CARE Programs, this decision to extend the bridge period and funding should be issued by or before June 30, 2012.

12. The bridge funding of the Utilities' ESA and CARE Programs is not equivalent to approval of the 2012-2014 ESA and CARE Programs themselves and should not be construed as a guarantee of continued funding in the Utilities' 2012-2014 ESA and CARE Programs or as a decision on the merits of any aspect of the ESA and CARE Programs for 2012-2014 budget cycle.

13. For this extended bridge funding period starting on July 1, 2012, each utility's average monthly budgets based on the authorized budgets for 2011 should be used to continue existing ESA and CARE Programs at the current levels.

14. It is reasonable and in the public interest to allow the Utilities to limit bridge period activity to only those activities previously authorized by the Commission for 2009-2011.

O R D E R**IT IS ORDERED** that:

1. Starting July 1, 2012 until the Commission adopts a decision in this Consolidated Proceeding Applications 11-05-017, 11-05-018, 11-05-019, and 11-05-020 regarding 2012-2014 program and budget proposals, a month-to-month extension of bridge funding is authorized for the large investor-owned utilities, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas) (Utilities) as illustrated in the below table 1 for the Utilities' Energy Savings Assistance (ESA) and California for Alternate Rates for Energy (CARE) programs.

Table 1
Bridge Funding Budgets beginning July 1, 2012
Budget Summary

Utility	ESA	CARE	Total
PG&E	\$13,065,753	\$40,769,036	\$53,834,789
SCE	\$5,284,488	\$18,073,750	\$23,358,238
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SDG&E	\$1,693,967	\$4,422,038	\$6,116,005

*SoCalGas's bridge funding budget is augmented, consistent with augmentation authorized under D.11-11-010, Section 3.3.

2. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company each shall file a Tier 1 Advice Letter within 10 days of the effective date of this decision. The Advice Letter must include the allocation of the authorized average monthly budgets for both the Energy Savings Assistance and California

for Alternate Rates for Energy Programs, including the CHANGES pilot and any cooling center budgets (if not already reflected).

3. The bridge funding period begins July 1, 2012, regardless of whether the Advice Letters have been determined to be in compliance. The bridge funding period ends when the Commission adopts a decision in this Consolidated Proceeding upon review of the Proposed Decision.

4. During the bridge funding period, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company shall track in a memo account the difference between the revenue requirement adopted in this decision and that requested in the applications.

5. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company shall continue to use the California for Alternate Rates for Energy Balancing Account for California for Alternate Rates for Energy subsidy costs incurred during the bridge fund period.

6. During the bridge period authorized in this decision, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company are authorized only to continue their program activities that the Commission had previously authorized for program cycle 2009-2011.

7. Applications 11-05-017, 11-05-018, 11-05-19 and 11-05-020 remain open.

This order is effective today.

Dated _____, at San Francisco, California.